Swift, F. H. *A History of Public Permanent Common School Funds in the United States, 1795-1905.* Pp. ix, 493. Price, $3.75. New York: Henry Holt & Co., 1911.

This book is a good example of the type of work which is being done by that group of scholars who are devoting themselves to the study of education. The author has brought together from sources which were not easily available the more important facts with regard to the history and present status of public permanent common school funds. This volume marks the first attempt to bring together and to interpret the facts in this field.

The book is divided into two parts. In part one the author discusses the early sources of school support, the importance of school funds in the development of a system of free public education, the sources, management, and loss of these funds. In part two is given a summary of the origin, present condition, and administration of permanent common school funds in each of the states, arranged alphabetically by states. This section of the work is intended primarily for reference.

In the more general discussion found in the first part of the volume, the author makes clear the importance of school funds not only from the standpoint of the aid which they have afforded in the establishment of the schools in poor districts, but also calls attention to the other objects to which these funds have been devoted and shows clearly the effect that they have had in the development of our public school system. Attention is called to the fact that the oldest aim of such funds was the abolition of the school tax. Later there developed a second aim, namely, to incite taxation and to bring about an equality of opportunity and burden throughout the state. The author calls attention to the necessity existing to-day for a more efficient management of public school funds, and suggests the need for an investigation concerning the present status of these funds throughout the United States.

The material throughout the volume is most adequately summarized in tables which enable one to discover readily the situation in any state, and to compare easily the practice among these various units. Any student of education interested in its fiscal aspects will find this volume a veritable mine of information; a book well arranged and well written.

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Taussig, F. W. *Principles of Economics.* Two vols. Pp. liv, 1121. Price, $4.00. New York: Macmillan Company, 1911.

This latest comer in the field of general treatises on economics aroused great expectations, and, in the reviewer's opinion, those expectations will not be disappointed. The author states that the book is not written on the usual model of textbooks and is not designed to meet the needs of classroom instruction. This opinion seems correct, for the price, division into two volumes, a certain diffuseness in treatment, and the relatively large part devoted to practical problems, all militate against textbook use. But there is an

admirable clarity and definiteness of statement, which qualities, together with a wealth of illustration, will assure its wide use for reference.

In general arrangement and content, one first notices the absence of any separate treatment of consumption. Here Professor Taussig follows Mill—as he does in making his cross references by sections rather than pages. The ideas of utility, marginal utility, and diminishing utility, are brought into direct relation with price determination in the chapter on "value and utility." As to the order of the main division of the subject, "Production" comes first, with "Value and Exchange" second, each division taking about one-tenth of the total space. Money and banking and international trade form the subjects of the next two books; and these are followed by distribution. Over one-fourth of the work remains and it is devoted to practical problems and taxation. The relatively great space given to the "book" on money, banking—especially banking—and crises, is perhaps the most notable point; though the length of the books on problems of labor and economic organization will also be observed. The space devoted to "Population" and the treatment of interest before rent are somewhat unusual.

As to the theory. Among other excellent features, the reviewer is struck by the wise definition of such elementary concepts as wealth and production, and the skilful handling of such points as the way in which cost of saving affects the supply of capital. The way in which difference in wealth distribution operates upon diminishing utility is also well handled, as is its relation to elasticity of demand. Purchasing power, we are told, must be included in the idea of marginal utility: marginal utility is a phrase used, for brevity, to indicate the complex conditions on which depends the price fetched by the last increment of supply. Yet, to the reviewer's notion, too much potency is given to "marginal utility." That pregnant phrase is given such a place that at points it might be used interchangeably with "value." Then what light does it throw to say that value is "determined by" or "depends upon" marginal utility? Is it not unnecessary to call actual price the measure of utility—is it not confusing? (p. 124). The various "cases" of value (fixed supply, constant cost, etc.) are separately treated, so as almost to suggest that different forces operate and that a different manner of determination exists in each case; and some will be inclined to criticise this treatment even as Mill has been criticised.

The "enlightened" Ricardian theory of rent is stated with unrivalled lucidity, embracing a convincing treatment of the relation of rent to price and the difference between land and capital. The problem of interest determination is solved by the marginal-efficiency route, little attention being given to the *agio* concept. But the author denies the possibility of imputing a specific product to capital; for "capital is itself made by labor; it (merely) represents a stage in the applications of labor" (197). The influence of Böhm-Bawerk is uppermost. The theory of wages adopted is substantially the one which aroused considerable criticism at the 1909 meeting of the American Economic Association: wages is the discounted marginal product of labor. The emphasis of the fact that labor is a "future good" like capital is valuable; but it is not made clear how the author's emphasis of the idea

that labor's specific product is inseparable is consistent with a determining marginal product. The reasoning smacks strongly of Ricardian influence at points (p. 205). Profits is treated as a special form of wages, the author deeming it impossible to draw a line between the two shares.

In questions of opinion and policy, Professor Taussig hits the nail on the head with a refreshing sanity of vision and common sense. It seems to the reviewer, however, that he is a bit hard on speculators.

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